



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/822,544	03/30/2001	Dennis P. Donnelly	456703-1	7667

7590 06/18/2007  
DORSEY & WHITNEY LLP  
ATTORNEYS AT LAW  
801 GRAND, SUITE 3900  
DES MOINES, IA 50309

EXAMINER
----------

CARLSON, JEFFREY D

ART UNIT	PAPER NUMBER
----------	--------------

3622

MAIL DATE	DELIVERY MODE
-----------	---------------

06/18/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/822,544	<b>Applicant(s)</b> DONNELLY ET AL.	
	<b>Examiner</b> Jeffrey D. Carlson	<b>Art Unit</b> 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 17 August 2006.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-11, 13, 16 and 18-24 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-11, 13, 16 and 18-24 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

This Office Action is responsive to the papers filed 8/17/2006.

#### ***Request For Information Under Rule 105***

Applicant and the assignee of this application are required under 37 CFR 1.105 to provide the following information that the examiner has determined is reasonably necessary to the examination of this application.

- Applicant states [page 2] that prior-art discounts for early payments are known, but are not desirable because “they generally are not cumulative”. It appears from this wording that in perhaps a minority of cases, earned discounts were indeed cumulative, suggesting that some sort of accounting system was used to track each consumer’s history of discounts. Does applicant know of any systems that offered cumulative discounts? And if so, were there accounting measures in place to manage them?
- Applicant describes [page 2] requirements for prior-art systems to handle various accounting steps (track payments received and their timing, indicate a consumer as eligible, record appropriate discounts, offer reimbursements, and additional accounting tasks). Does applicant know of any instances where any of these prior art accounting steps were accomplished by computerized, electronic or automated accounting system(s)?

***Response to Amendment***

The amendment filed 8/17/2006 is objected to under 35 U.S.C. 132(a) because it introduces new matter into the disclosure. 35 U.S.C. 132(a) states that no amendment shall introduce new matter into the disclosure of the invention. The added material which is not supported by the original disclosure is as follows:

- Examiner cannot find support in the original disclosure for the new language of claim 13.
- Claim 16, no support can be found for the concept of a “best” customer. The term “best” does not appear in the original specification.

Applicant is required to cancel the new matter in the reply to this Office Action.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 16 and 18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

- Claim 16 requires identification of a “best customer. This claim fails to provide a useful concrete and tangible result. In particular, the claim does not provide a concrete result. There appears to be no guidance how to determine a “best customer” such that one of ordinary skill could identify with repeatability a such “best customer”.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 16 and 18 are rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for a timely paying customer, does not reasonably provide enablement for a "best customer". Applicant has deliberately changed the claim scope from a timely paying customer to the rather vague "best customer" language. The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to practice the invention commensurate in scope with these claims.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-11, 13, 16, 18-24 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

- Claim 1 is amended to include a step of paying a fee corresponding to an award *redeemed* by the recipient, yet there is no positive steps of redemption claimed, leading to a confusion in claim scope apparently missing essential step(s).

Art Unit: 3622

- Claims 1 and 19 include references to “sponsor determined criteria” and “sponsor specified set of criteria”, yet it is unclear whether applicant is positively requiring a step of determining or specifying such criteria. Applicant’s use of past-tense in method claims leads to confusion regarding whether such represent positive method limitations.
- Claim 10 (end of claim) refers to the system which lacks antecedent basis.
- Claim 11 attempts to further limit the process of claim 10, yet there are no positive steps set forth. It is unclear what step is further being required by the claim. Further, claim 10 states that the system transfers payment to the travel agency, yet claim 11 appears to describe that they are actually the same single computer. This step of transferring is therefore unclear.
- Claim 11 describes a credit being added as well as saved. It is unclear what the difference is if any between the two. What is a saved credit?
- Claim 16 requires identification of a “best” customer which is a relative term which renders the claim indefinite. The term is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.
- Claim 16 includes a wherein portion that describes that saved credits were awarded [in a certain manner]. However it is not clear whether there are positive steps in the claim requiring an active step of awarding these credits in such a manner. Applicant’s use of past-tense verbs in method claims leads

to confusion regarding whether such verbs represent positive method limitations.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-11, 13, 16, 18-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Zervides et al (US6052674) in view of Crapo (2004/0064371).**

Regarding claims 1, 3, 4, Zervides et al teaches systems and methods for encouraging customers of suppliers to pay their bills on time [abstract]. A central host (EICS) is made aware of customer invoices by way of suppliers electronically transmitting customer invoice data over the Internet [fig 11: 142, 144, col 7 lines 51-62]. The EICS also electronically receives customer invoice payment history data and stores such user history data in customer accounts in the computerized EICS database [fig 11, element 138]. The billed customers may also pay the suppliers directly [fig 2:114, col 6: lines 1-5, col 8 lines 2-8, 38-46]. The suppliers then send verification of these bill-payers to the EICS [fig 4:120, col 8 lines 50-52, 65-66]. Although Zervides et al charges late paying customers extras fees as is generally well known [6:12-30], Zervides et al does not reward timely paying customers with tangible benefits other than their credit history is not damaged and they avoid the extra fees. Applicant however points out how

Art Unit: 3622

several incentive systems are known which reward timely bill payers. This admitted prior art includes providing discounts or (presumably physical) travel credits as well as performing the required accounting to manage same (track payments received and their timing, indicate a consumer as eligible, record appropriate discounts, offer reimbursements, and additional accounting tasks) [pg 2]. Crapo teaches a centralized system which enables user to earn electronic travel credits (webmiles – generic frequent flyer miles) as incentives for performing acts for various partners. These electronic travel credits can be collected by users and redeemed for discounted travel products/services [abstract, ¶ 35]. It would have been obvious to one of ordinary skill at the time of the invention to have provided an automated incentive management system including provision of electronic travel credits as further incentives for the bill payers of Zervides et al in an automated manner as taught by Crapo. Zervides et al teaches that users and their invoices are identified to the central system by the billing sponsor/supplier; late bill payers are charged fees as a percentage of the amounts owed [7:51-62]. Further, applicant admits that it was well known at the time of filing for discounts to be provided to timely bill payers where the discount value is a percentage of the amount due [pg 2]. It would have been obvious to one of ordinary skill at the time of the invention to have provided travel credits as incentives for timely payers in the same manner – a percentage of the amount due. When the EICS system is electronically notified of a timely paid account receivable, this represents identification of a qualified account receivable. When a paying customer earns a reward for his timely payment, the credits he earns are electronically generated in his account. A sponsor's



participation in such an incentive system can be said to be determining that a timely payment be used as criteria for awarding his customers. Regarding the monthly fee, Official Notice is taken that such 3<sup>rd</sup> party service providers who provide value for vendor's customers typically charge a fee according to the value added. It would have been obvious to one of ordinary skill at the time of the invention for the provider/operator of the 3<sup>rd</sup> party, centralized incentive system to collect fees from the suppliers in exchange for providing redeemable awards to the suppliers' customers.

Regarding claim 2, even if the EICS is assisting the suppliers in invoicing and managing at least some part of the "accounting books", these are still the supplier's books and are "used" by the supplier. Further, each supplier also present invoicing information to the EICS and can receive payments directly which is taken to include proper accounting to associate the payment with the customer and his invoice.

Regarding claim 5, the supplier/sponsor informs the host of the user's payment information [fig 9]. As Zervides et al and the applicant-admitted prior art are concerned with modifying user payment behaviors, it would have been obvious to one of ordinary skill at the time of the invention to have provided an incentive based upon a history of continued timely payments so that users are encouraged to pay bills timely not just once in a while, but continually habitually over time (i.e. over several billing cycles).

Regarding claim 6, when a paying customer earns a reward for his timely payment, the credits he earns are electronically generated in his account. Further any database of customers stored at the supplier or EICS is taken to represent "prospective"

Art Unit: 3622

customers, as this is a very broad term. Even current customers can be considered to be prospective customers for new products, continued patronage etc.

Regarding claims 7-9, Crapo teaches that the travel credits are accumulated in the centralized user account and are redeemed by a travel agency for travel goods/services [¶ 33, 37].

Regarding claim 10, the claim is rejected using the same analysis as for claim 1. Further, identifying the amount due on the bill is taken to provide identifying the amount of accounts receivables qualified to receive a credit.

As best understood regarding claim 11, the travel agency system of Crapo is in electronic communication with the crediting host and is therefore taken to be “combined” into a single incentive computer system. Further, Official Notice is taken that web hosting providers typically offer hosting services to several entities using a single computer. This is called “shared hosting”. It would have been obvious to one of ordinary skill at the time of the invention to have provided the services of the proposed combination using a shared hosting technique as a matter of design choice.

Regarding claim 13, Crapo teaches that the user can access his account status via a web site [¶ 40]. Clearly the administrator that manages such accounts can be said to be notified of any change to the accounts and credit activity. It would have been obvious to one of ordinary skill at the time of the invention to have also notified the supplier of credit activities as well so that they can track the incentive system usage and successes. Further as explained above, it would have been obvious to one of ordinary skill at the time of the invention for the host/administrator to have charged the suppliers

Art Unit: 3622

for providing the incentive awards on their behalf which would have been obvious to include notification of credit activity in order to justify the charges.

Regarding claim 16, the claim limitations are addressed using the same reasoning as in claim 1. Timely paying customers in the proposed combination are taken to read on “best” customers. The software and functionalities provided by Crapo are taken to read on a hosted application program. Further, Crapo teaches that users having enough credits and desiring to redeem them can engage in a redemption process with a redemption center (a travel agency/service). [¶ 40]. Crapo’s goal is to provide a travel incentive system more flexible than traditional systems. Crapo provides “at least one travel agent or large travel service [¶ 37] and allows users to redeem credits for different airlines as well as different carriers for trains, buses, cruises, hotels, cars, etc [¶ 38]; the customer is given wide flexibility in selections for redemptions. A user redeeming awards to be used towards the cost of a hotel room is taken to read on a user specifying a preference of “hotel” rather than “flight” whereby the system books/manages the desired reservation from a list of vendors who offer hotel rooms.

Regarding claim 18, Zervides et al teaches that the sponsors forward billing information to the host for each billing cycle [fig 9].

Regarding claims 19-23, the claim limitations are addressed using the same reasoning as in claim 1. Further, communication of an identified customers represent identifying a “prospective” recipient to the system, as this is a very broad term. Even current customers can be considered to be prospective customers for new products,

Art Unit: 3622

continued patronage etc., and of course they may be future recipients of awards for timely paying their bills.

Regarding claim 24, Zervides et al teaches that invoice and customer data is sent from supplier/sponsor to central system via the Internet [10:12-26]. This is taken to provide electronic file transfer of such data.

### ***Response to Arguments***

Applicant argues that the claims are drawn to an award system, not an invoicing system. First, applicant's preamble does not define the claimed invention – the limitations in the claim do. Yes Zervides et al teaches invoicing to be done by the EICS. However, the language *claimed* that applicant provides to differentiate from Zervides et al are indeed met by Zervides et al nonetheless. Most importantly Zervides et al includes communications from the suppliers when customers pay suppliers directly. Extra steps performed by the reference does not in itself preclude its application to the claims.

Applicant questions why examiner states that Zervides et al is a system designed to encourage timely bill payment [abstract]. When the prior art is seeking to solve the same problem as applicant, it is quite relevant as an example of the applicant's field of endeavor.

Applicant argues that providing an invoice is not the same as receiving an identification of an eligible recipient. All of the customers that receive invoices can be

taken to “eligible” if they pay their bill timely. Customers not receiving invoices (i.e. any member of the public) are NOT eligible whatsoever to earn the incentive awards.

Applicant argues that the combination using Crapo is misplaced because Crapo teaches awarding credit for on-line activity. Examiner is using Crapo as an example of an automated incentive award system where credits are earned, stored and accumulated managed by a computer system. Applicant's own specification points out that prior art timely bill payment award systems are undesirable because of all the necessary accounting [pg 2]. One of ordinary skill would see the benefits to automating an incentive award program where users earn and accumulate credits. Crapo is an example of such.

Applicant argues that examiner addressed only one of claim 10's at least nine elements. Examiner was/is relying on the above-stated reasoning for claim 1 to address most of claim 10. That which was not addressed by claim 1's reasoning was addressed explicitly. Applicant argues that no reference is provided in Zervides et al that addresses identifying the amount of accounts receivables. Certainly Zervides et al teaches invoicing a customer with the amount due – see col 7 line 56. Given this, it is the *examiner's opinion* that this meets the claim language for the reasons stated. While applicant argues such a possibility, Zervides et al provides no teaching that the accounts receivable does not match the billed amount.


Applicant argues similarly that claim 16 does not address all limitations, yet it is not clear what in particular in claim 16 is believed to be lacking from the reasoning provided for claim 1 and the other claims rejected in the office action.

**Conclusion**

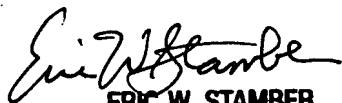
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 571-272-6716. The examiner can normally be reached on Mon-Fri 8a-5:30p, (work from home on Thursdays).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
Jeffrey D. Carlson  
Primary Examiner  
Art Unit 3622

jdc

  
ERIC W. STAMBER  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600